



HINDUSTAN EVEREST TOOLS LTD.

51ST ANNUAL REPORT 2013-2014

Board of Directors

Shri Shravan Kumar Mandelia, Chairman & Mg. Director
Shri Balgopal Mandelia, Vice-Chairman & Jt. Mg. Director
Smt Pallavi Joshi Bakhru
Shri Pradeep Jain
Shri V.K. Khanna, Executive Director (Finance) & CFO
Shri Ambarish Raj
Shri Lokesh Sood

Company Secretary

Shri Govind Deora

AUDITORS

Singhi & Co,
Chartered Accountants,
401-408, Pragati House
44-45, Nehru Place
New, Delhi-110 019

BANKERS

UCO Bank,
Punjab National Bank
HDFC Bank
Citi Bank

REGISTERED OFFICE

Dohil Chambers,
46, Nehru Place,
New Delhi-110 019
Ph. : 91-11-46692600 Fax : 011-41606788
Email : ho@everesttools.com
CIN : L74899 DL1962 PLC003634
Website : <http://www.everesttools.com>

WORKS

Village Jatheri,
Distt. Sonapat,
Haryana

SHARES LISTED AT

Bombay Stock Exchange

REGISTAR & TRANSFER AGENT LINK INTIME INDIA PVT. LTD.

44 Community Centre,
2nd Floor
Naraina Industrial Area, Phase-I, Near PVR Naraina
New Delhi- 110 028
Ph. : 41410592 Fax : 41410591
Email : delhi@linkintime.co.in



HINDUSTAN EVEREST TOOLS LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY FIRST ANNUAL GENERAL MEETING OF HINDUSTAN EVEREST TOOLS LIMITED .will be held at" PHD House" opposite Asian Games Village ,Siri Fort Road, New Delhi110016 on Tuesday, 30th September, 2014 at 11:00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet for the year ended 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.
"RESOLVED that M/s Singhi & Company, Chartered Accountants, (ICAI Registration No. 302049E) be and is hereby re-appointed as Statutory Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting of the Company till the conclusion of 54th Annual General Meeting of the Company, subject to annual ratification by the members at the Annual General Meeting in accordance with the provisions of Section 139 of the Companies Act, 2013 and rules made there under at such remuneration including Service Tax and out of pocket expenses to be fixed by the Board of Directors of the Company in consultation with the Auditors."

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Pradeep Jain (holding DIN 00108240), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, was appointed by members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years term up to 29th September, 2019.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms Pallavi Joshi Bakhru (holding DIN 015266187), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, was appointed by members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years term up to 29th September, 2019.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Lokesh Sood (holding DIN 00916746), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, was appointed by members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years term up to 29th September, 2019.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ambarish Raj (holding DIN 01423870), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, was appointed by members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th September, 2019.



7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- "RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) , the consent of the Company be and is hereby accorded to the appointment of Sh. Shravan Kumar Mandelia (holding DIN 00040532), who was re-appointed as a "Managing Director" of the Company by the Board of Directors with effect from 14th December, 2013 under the Articles of Association of the Company, as the "Managing Director" of the Company for a period of five years effective from 14th December 2013, on the remuneration and terms and conditions as set in the explanatory statement, and the Board of Director be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956)".
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
- "RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) , the consent of the Company be and is hereby accorded to the appointment of Sh. Balgopal Mandelia (holding DIN 00040592), who was re-appointed as "Joint Managing Director" of the Company by the Board of Directors with effect from 1st January 2014 under the Articles of Association of the Company, as the "Joint Managing Director" of the Company for a period of five years effective from 1st January 2014, on the remuneration and terms and conditions as set in the explanatory statement, and the Board of Director be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956)".
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-
- "RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the rules made thereunder(including any statutory modification(s) or re-enactment thereof for the time being in force) M/s Kabra & Associates, Cost Accountants(Firm Registration No.75) appointed as Cost Auditors by the Board of Directors of the Company, be paid a remuneration of Rs. 40000/- (Rupees forty thousand only) plus Service Tax for the financial year ending March 2015."

New Delhi
7th August, 2014

By Order of the Board
Sd/-
(GOVIND DEORA)
Company Secretary

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 22nd September, 2014 to Tuesday, 30th September, 2014 (both days inclusive) for annual closing .
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than
48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
5. Pursuant to Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31.03.1999 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection



HINDUSTAN EVEREST TOOLS LTD.

Fund established by the Central government pursuant to Section 205C of the Companies Act, 1956. However please note that company have not declared any dividend for the financial year 1999-2000 onwards.

6.
 - (a) Members holding shares in physical form are requested to notify/inform any change in their address/e-mail/mandate/bank details to the Registrar and Transfer Agent(RTA) of the Company M/s. Link Intime India Pvt. Limited 44, Community Centre, 2nd Floor, Naraina Industrial area, Phase-II, Near PVR Naraina, New Delhi-110028, Phone No. 41410592, Fax : 41410591, E-Mail : delhi@linkintime.co.in and Company's - E-mail: admin@everesttools.com
 - b) Members holding shares in the dematerialized form are requested to notify all changes with respect to their address, mandate and bank details to their Depository Participant.
 - c) Shareholders are also requested to quote their Folio No./DP ID-Client Id and details of shares held in physical/demat mode, E-mail ids and Telephone/Fax numbers for prompt reply to their communications.
 - d) All corporate members are requested to communicate their Corporate Identification number to either company or RTA of the company.
7. Members may also note that the Notice of the 51st Annual General Meeting and the Annual Report will also be available on the Company's website :-www.everesttools.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: admin@everesttools.com.

8. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 51st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

Shareholders of the company holding shares either physical form or dematerialized form, as on record date, i.e. 22nd August, 2014, are eligible to cast their vote.

The instructions for e-voting are as under:

- (i) The Notice of 51th Annual General Meeting of the Company inter alia indicating the process and the manner of e-voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members, Login Id and initial password is mentioned in the attendance slip attached to the Notice of AGM as below:-

<u>EVEN (E Voting Even Number)</u>	<u>USER ID</u>	<u>PASSWORD</u>
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 - (ii) NSDL shall be sending the USER ID and Password, to those Members who shareholding is in dematerialized format and whose email address are registered with the Company/Depository Participant(s) for members who have not registered their email address can use the details as provided above.
 - (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iv) Click on Shareholder - Login
 - (v) Enter the login credential i.e. User ID and password mentioned in the attendance slip attached with the notice of the annual general meeting.
 - (vi) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vii) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles. (viii) Select "EVEN" of Hindustan Everest Tools Limited.
 - (ix) Now you are ready for e-voting as Cast Vote page opens.
 - (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (xi) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to Satyenderfcs@gmail.com or admin@everesttools.com with a copy marked to evoting@nsdl.co.in
- (II) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com



- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 24th September, 2014 (9:00 am) and ends on 26th September 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22nd August, 2014.
- VII. Mr. Satyender Kumar, Practising Company Secretary (CP No. 4087) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not **exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses** not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website : www.everesttools.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
- I. **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

Item No 3 to 6

As per the provisions of Companies Act 2013 and Clause 49 of the listing agreement with BSE the company Board of Directors shall constitute have half of its total number of directors as Independent Directors. Mr. Pradeep Jain, Ms Pallavi Joshi Bakhru, Mr. Lokesh Sood and Mr. Ambarish Raj all being non-executive Independent Directors were appointed by the members at earlier General Meetings as Directors liable to retire by rotation. As per the new Companies Act, 2013 and Clause 49 of the listing agreement the Independent Directors shall hold office for a term upto five years and are not liable to retire before expiry of said term. Mr. Pradeep Jain, Ms Pallavi Joshi Bakhru, Mr. Lokesh Sood and Mr. Ambarish Raj all non-executive Directors of the Company, who are eligible for appointment have consented to seek reappointment as Independent Directors for a period of five consecutive years.

The Company has also received notices in writing from members proposing the candidature of each of the said Directors of the Company at the ensuing Annual General Meeting. The company has received confirmation from said Directors that they meet the criteria of Independent director as provided in Section 149(6) of the Companies Act 2013 and in the opinion of the Board they are person of integrity and possess the relevant expertise and experience.

The Directors recommend adoption of the resolution at item Nos. 3 to 6 of the Notice by the members.

None of the Directors or their relatives and key managerial personnel or their relatives, except Mr Pradeep Jain, Ms Pallavi Joshi Bakhru, Mr. Lokesh Sood and Mr. Ambarish Raj, are concerned with or interested in the Resolutions set out at the Item No 3 to 6 of the Notice.

In compliance with the provisions of Section 149 read with the Schedule IV of the Act, the appointment of these Directors as Independent Directors is now being placed before the Members for their approval.

Item No 7

The Board of Directors in its meeting held on 13th November, 2013 re-appointed Shri Shravan Kumar Mandelia as Managing Director for a further period of five years w.e.f. 14th December, 2013 on the terms and conditions fixed by the Board of directors in the said meeting. The said terms and conditions are mentioned hereunder:

1. **SALARY** : Rs. 42,000/- (Rupees Forty Two Thousand only) per month.
2. **COMMISSION** : One percent of the net profit of the Company for each financial year or part thereof computed in the manner laid down under section 349 of the Companies Act, 1956 and not to exceed overall ceiling on remuneration laid down in section 198 and 309 of the Companies Act, 1956.
3. **PERQUISITES**: In addition to the aforesaid salary and commission the following perquisites will be allowed which shall be restricted to an amount equal to the annual salary or Rs. 4,50,000/- per annum whichever is less.



HINDUSTAN EVEREST TOOLS LTD.

CATEGORY ' A '

- (I) Housing
- (a) The expenditure incurred by the Company on hiring unfurnished accommodation for the Managing director shall be subject to ceiling of 60% of the salary over and above 10 % payable by the Managing Director.
 - (b) In case the accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.
 - (c) In case no accommodation is provided by the Company, the Managing director shall be entitled to House Rent Allowance subject to ceiling laid-down in (a) above as the case may be.

The expenditure which may be incurred by the Company on gas, electricity, maintenance, water and furnishings shall be valued as per the Income Tax Rules, 1962 subject to ceiling of 10% of the salary of the Managing Director.

- (ii) **Medical Reimbursement** : Expenses incurred for the Managing director and his family subject to the ceiling of one month's salary in a year or three months salary over a period of three years.
- (iii) **Leave Travel Concession** : For Managing Director and his family, once in a year in accordance with the rules specified by the Company.
- (iv) **Club Fees** : Fees of clubs subject to a maximum of two clubs.
This will not include admission and life membership fees.
- (v) **Personal Accident Insurance** : premium not to exceed Rs. 4,000/- per annum.
For the purpose of this category 'Family' means spouse, dependent children and dependent parents of the Managing Director.

CATEGORY ' B '

- (i) Company's contribution to Provident Fund subject to ceiling of 12 % of the salary.
Company's contribution towards Super -Annuation/Annuity Fund, such contribution together with contribution to the Provident Fund shall not exceed 25% of the salary.
Contribution to Provident Fund-Super Annuation Fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
Gratuity not exceeding half a month's salary for each completed year of service.
- (ii) Leave on full pay and allowances as per Rules of the Company but not exceeding one month's leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of perquisites.

CATEGORY ' C '

Free use of Company's Car with Driver.
Free use of Telephone at his residence.
Provision for car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director."
However, he shall be among directors who are liable to retire by rotation.

None of the Directors or their relatives and key managerial personnel or their relatives except the appointee himself and Shri Bal Gopal Mandelia are in any way interested in the resolution.

The Directors commends the resolution for your approval.

Item No. 8

The Board of Directors in its meeting held on 13th November, 2013 re-appointed Shri Bal Gopal Mandelia as Joint Managing Director for a further period of five years w.e.f. 1st January,2014 on the terms and conditions fixed by the Board of Directors in the said meeting . The said terms and conditions are mentioned hereunder:

1. **SALARY** : Rs. 40,000/- (Rupees Forty Thousand only) per month.
2. **COMMISSION** : One percent of the net profit of the Company for each financial year or part thereof computed in the manner laid down under Section 349 of the Companies Act, 1956 and not to exceed overall ceiling on remuneration laid-down Section 198 and 309 of companies Act, 1956.
3. **PERQUISITES**: In addition to the aforesaid salary and commission the following perquisites will be allowed which shall be restricted to an amount equal to the annual salary or Rs. 4,50,000/- per annum whichever is less.

CATEGORY ' A '

- (I) Housing
- (a) The expenditure incurred by the Company on hiring unfurnished accommodation for the Joint Managing director shall



be subject to ceiling of 60% of the salary over and above 10 % payable by the Joint Managing Director.

- (b) In case the accommodation is owned by the Company, 10% of the salary of the Joint Managing Director shall be deducted by the Company.
- (c) In case no accommodation is provided by the Company, the Joint Managing director shall be entitled to House Rent Allowance subject to ceilings laid-down in (a) above as the case may be.

The expenditure which may be incurred by the Company on gas, electricity, maintenance, water and furnishings shall be valued as per the Income Tax Rules, 1962 subject to ceiling of 10% of the salary of the Joint Managing Director.

- (ii) **Medical Reimbursement:** Expenses incurred for the Joint Managing director and his family subject to the ceiling of one month's salary in a year or three months salary over a period of three years.
- (iii) **Leave Travel Concession:** For Joint Managing Director and his family, once in a year in accordance with the rules specified by the Company.
- (iv) **Club Fees:** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) **Personal Accident Insurance:** Premium not to exceed Rs. 4,000/- per annum.

For the purpose of this category 'Family' means spouse, dependent children and dependent parents of the Joint Managing Director.

CATEGORY ' B '

- (i) Company's contribution to Provident Fund subject to ceiling of 12 % of the salary.
Company's contribution towards Super-Annuation /Annuity Fund, such contribution together with contribution to the Provident Fund shall not exceed 25% of the salary.
Contribution to Provident Fund-Super Annuation Fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
Gratuity not exceeding half a month's salary for each completed year of service.
- (ii) Leave on full pay and allowances as per Rules of the Company but not exceeding one month's leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of perquisites.

CATEGORY ' C '

Free use of Company's Car with Driver.

Free use of Telephone at his residence.

Provision for car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Joint Managing Director.

However, he shall be among directors who are liable to retire by rotation

None of the Directors or their relatives and key managerial personnel or their relatives except the appointee himself and Shri Shravan Kumar Mandelia are in any way interested in the resolution

The Directors commends the resolution for your approval.

Item No.9

M/S Kabra & Associates, Cost Accountants, were appointed as cost Auditors of the Company to audit the accounts relating to Hand Tools for the financial year ending March 31, 2015 by the Board of Directors of the Company and have recommended remuneration to be paid to them for the said Cost Audit.

In accordance with the provisions of Section 148 of the Act read with the Companies(Audit and Auditors) Rules, 2014 , the said remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

None of the Directors or their relatives and key managerial personnel or their relatives are concerned or interested in the resolution.

New Delhi
7th August, 2014

By Order of the Board
(GOVIND DEORA)
Company Secretary



HINDUSTAN EVEREST TOOLS LTD.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 51st Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2014.

	Rs. In Lakhs	
FINANCIAL RESULTS	2013- 2014	2012-2013
Profit/(Loss) before Finance Cost	256.25	1.28
Less: Finance Cost	136.66	141.01
Cash Profit/(Loss)	119.59	(139.77)
Depreciation	61.87	64.71
Net Profit/(Loss)	57.72	(204.48)
Add/Less:		
Provisions for Deferred Tax	14.57	15.61
	72.29	(220.09)
APPROPRIATION		
Transfer from General Reserve	-	-
Carried over to next year	72.29	(220.09)

OPERATIONS

The year under review has been a critical one for the Company. Whilst the turnover registered an increase of more than 10% over the previous year, exports registered an increase of more than 50% over the previous year and domestic sales registered decrease of about 10%.

As reported in the last Director's Report, the Company had been facing protracted labour unrest which unfortunately culminated in the union resolving to flash strike on 22nd May 2013 without having given any advance due notice to the Management as is required under the relevant laws. This illegal strike/ mass absenteeism continued for 104 days, inspite of the Government of Haryana prohibiting continuation of strike and company directed all striking labour to unconditionally report back to work within 3 days of the order dated 19/06/2013. In spite of such an order, other various notices/publications issued by the company calling workers to resume duty, the union leaders in their wisdom chose to ignore these directions and instigated the workers to remain absent in concerted manner. The loss of contribution accrued due to loss of production as a result of strike/ mass absenteeism and turnover amounted to Rs. 219 Lacs.

The Charter of Demands as given to the Management by the labour union stands pending in the relevant Court for adjudication.

DIVIDEND

In view of the Company having insufficient profit during the year, the Directors hereby express their inability to recommend any dividend for the year ended 31st March, 2014.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS & OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies Declaration of particulars in the Report of Board of Directors Rules, 1988, the information relating to the Conservation of Energy, Research and Development. Technology Absorption and Foreign Exchange Earning and Outgo is given in the Annexure 'A' forming part of this report.

DIRECTORS

Pursuant to requirement of section 149(6) of Companies Act, 2013 and applicability of clause 49 of Listing Agreement with Bombay Stock Exchange w.e.f. 01/10/2014, it is proposed that Shri Pradeep Jain, Smt. Pallavi Joshi Bakhru, Shri Lokesh Sood and Shri Ambarish Raj who have been appointed as Directors liable to retire by rotation by members in earlier AGM shall be appointed as non-Executive Independent Directors for 5 years from the date of AGM. The Company has received confirmation from said Directors that they meet the criteria of Independent director as provided in Section 149(6) of the Companies Act, 2013 and in the opinion of the Board they are person of integrity and possess the relevant expertise and experience. The Board recommend their appointment. Necessary resolution for appointment of aforesaid Directors have been included in the Notice in ensuing AGM.

DIRECTORS' RESPONSIBILITY STATEMENTS

In compliance to the Provisions of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed :-

- That in the preparation of the accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a "going concern" basis.

DEPOSIT

The Company has not accepted any deposit from the Public during the Financial Year 2013-14 and there was no outstanding deposit as on 31.03.2014.



AUDITORS

M/s Singhi & Company, Chartered Accountants, Auditors of the Company retires at the conclusion of this Annual General meeting and being eligible offer themselves for re-appointment for three years subject to annual ratification by the members at the Annual General Meeting in accordance with the provisions of Section 139 of the Companies Act, 2013 and rules there under. As regards auditors observations/ qualification made in the Auditor's Report, Regarding other observations/qualification made in the Auditor's Report, relevant Notes of Notes on Accounts are self -explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

COST AUDITORS

In view of the direction of the Central Government that the cost accounts maintained by the Company be audited by the Cost auditor, the Company has appointed M/s Kabra & Associates, Cost Accountants, as Cost Auditors for conducting the cost audit for the Hand Tools manufacturing business of the Company for the financial year ending 31.03.2015. The remuneration payable to them is subject to the approval of members of the Company.

PERSONNEL

There is no employee who was in receipt of remuneration as required to be disclosed under Section 217(2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Clause 49 of the Listing Agreement is applicable to the Company w.e.f. October, 2014. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. For this the Company has started the implementation by appointment of Independent Directors. The Company is already having a Professional Independent Women Director on its Board.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to the staff members who stood by the management in these most trying times.

FOR & ON BEHALF OF THE BOARD

Place : New Delhi

Dated : August 7th, 2014

S.K.MANDELIA

CHAIRMAN



ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(i)(e) read with the Companies (Declaration of Particulars in respect of the Board of Directors) Rule, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

Energy conservation is an on-going activity in the Company and depending upon the average energy consumption per unit of each department, Internal Checking, necessary corrective measures are being taken to reduce the energy consumption per unit of Production.

(b) Additional Investments and Proposals:

With the help of equipment like Automatic Power Factor Correction Meter, Ammeter in each phase, the Company is monitoring the consumption of plant as well various equipment's as and where required. Installation of additional equipment is done to improve efficiency.

(c) Impact of measures:

With the implementation of various measures taken, total energy consumption and the energy consumption per unit of production should be considered satisfactory due to emphasis on production of high value added products and processes, which consume more specific energy.

Form - A

(d) Total energy consumption and Energy Consumption per Unit of production:

1. Power & Fuel Consumption		Current Year	Previous Year
(a) Electricity		2,167,900	2,331,260
i. Purchased Units			
Amount	Rs.	18,080,929	16,183,470
Rate/Unit (average)	Rs.	8.34	6.94
ii. Own generation DG Sets			
Units Generated		62,620	401,860
Units per Ltr. of Diesel		2.67	2.53
Rate per Ltr. of Fuel	Rs.	58.43	42.39
Cost/Unit (average)	Rs.	21.88	16.75
(b) PNG			
Quantity (SCM)		264,657	344,743
Amount	Rs.	12,434,867	11,380,095
Average Rate	Rs.	46.98	33.01
2 Consumption per Unit of Production			
Product – Hand Tools			
Electricity Units/MT		3,832	3,374
PNG SCM/MT		455	426

B) TECHNOLOGY ABSORPTION

Research & Development :

- (i) The Research & Development Center of the Company continuously endeavors to upgrade the existing product process and venture in new product development and process improvement. This has lead to enhance progress and efficiency throughout the plant. The benefits derived can be summed-up as under:-